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FEDERAL
CROP INSURANCE
on
WHEAT AND FLAX
(Yield Insurance)

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The Federal Crop Insurance Corporation offers under separate contracts in designated counties insurance of wheat and flax against loss in yield resulting from unavoidable hazards which damage or destroy a crop such as:

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|--------------------|------|
| Drought | Hail |
| Wind | Fire |
| Frost | Snow |
| Flood | Rain |
| Plant Diseases | |
| Insect Infestation | |

Crop insurance does not cover losses arising from avoidable causes such as neglect, poor farming practices, or failure to reseed where it is practicable to do so.

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A Federal crop insurance premium buys protection of the investment in a crop against the major production risks from seeding through harvest.

It adds but a small amount to operating costs to insure against the many production hazards over which man has no control. Crop insurance premiums are deductible as operating costs for income tax purposes.

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A producer may insure either his wheat or flax crop or both.

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U. S. DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation

JAN 29 1948
JUN 27 1948

CROP INSURANCE

Under present legislation Federal crop insurance protection can be offered on wheat in only 200 counties and on flax in 50 counties.

Only wheat and flax on land for which the Federal Crop Insurance Corporation establishes coverages and rates for the crop can be insured.

Crop insurance premiums are used only to pay losses to insured producers. Administrative costs are carried by the Federal Government as a service to farmers. Premiums collected in excess of losses paid can be used only to accumulate a reserve for use in years when losses exceed premiums. The accumulation of adequate reserves will make possible reductions in premium rates.

Losses paid to farmers under the program are, of course, the major factor in determining adjustments in premium rates. Consequently, it is in the best interest of the majority of producers that only sound risks be insured under the program. For the same reason, it is in the interest of the majority of producers that loss adjustments be made fairly and properly. Lax adjustments or insuring bad risks would be improper use of farmers' premiums.

Crop insurance is a farmers' program -- each insured pays a small amount for protection against unavoidable production risks so that none among them will suffer a disastrous loss.

Full information on the coverage and premium for each insurance unit is available through the county office.

CONTINUOUS CONTRACT

The contracts on wheat and flax yield insurance are continuous contracts but the producer may cancel the contract in any year by exercising his cancellation privileges before the deadline specified in his contract.

COVERAGE PER ACRE

Coverages and premium rates -- expressed in bushels of wheat or flax per acre -- are established by the Federal Crop Insurance Corporation for all insurable acreage in the county.

The maximum protection is on harvested acreage because full production costs have been incurred. Protection on unharvested acreage is adjusted to reflect lower production costs, including land use.

If acreage is released for a substitute crop a minimum charge of 50% of the coverage per acre is made against the total coverage for the acreage released. The minimum charge against the coverage on acreage released for summer fallow is 20% of the coverage per acre and on other unharvested acreage is 10% of the coverage per acre. Whenever the production appraised by the adjuster exceeds the minimum charge, the actual appraisal is, of course, used.

DETERMINING LOSSES

The indemnity due a producer is the amount by which the total production on the insurance unit falls short of the insured coverage. Production on an insurance unit includes (1) harvested production, (2) production charged against acreage released or left unharvested, and (3) any production lost from causes not insured against.

FIXED PRICE

One fixed price will be used in the county each year to convert both premiums and indemnities to a dollar value. For wheat, the fixed price will be 90% of the April 15 parity adjusted for location differentials for the year in which the crop is harvested. For flax, the fixed price will be the county support or loan rate for that crop year, whichever is higher.

OTHER CONTRACT PROVISIONS

A Federal crop insurance contract covers your interest in all insurable wheat or flax acreage in the county in which you have an interest at the time of seeding.

If your insured crop is destroyed while there is still time to reseed and it is a customary practice in the area to reseed, you are expected to do so. If this acreage is not reseeded, it will not be insured.

Insured acreage destroyed or substantially destroyed may be released by the Corporation for other use, BUT no acreage may be put to another use until a release in writing is obtained from the Corporation.

An assignment against the insurance contract may be made as collateral for a loan.

Partial protection may be obtained which differs from the full protection only in the reduction of the premium and any indemnity to 65% of what they would be with full protection.

WHAT YOU DO

File an application before the closing date. Separate applications are necessary if you insure both wheat and flax.

After you have completed seeding, make a report of the acreage seeded and your interest in the insured crop at the time of seeding.

Seed, care for and harvest the crop in accordance with good farming practices.

Report immediately to the county office any material damage to the crop if you believe that a loss under the insurance contract may result. Any loss under the contract must be reported within 15 days after harvest.

Pay your premium promptly. It comes due about harvest time, but you may pay it earlier.

DON'T INSURE TO COLLECT
INSURE TO PROTECT